

ABSTRACT

A method and system of utilizing an insuring or other financially responsible party to pay claims to creditors in an insolvency proceeding aligns the financial incentives of creditors with the financial incentives of those funding and resolving claims. The present invention shifts the risk of administration of the claims resolution process in an insolvency proceeding away from the insolvent entity and transfers the risk to the insuring or other financially responsible party which is an economically stronger entity with lower costs of capital and superior risk management resources.